



May 14, 2018

Dear Members of the Michigan House Energy Policy Committee,

On behalf of Health Care Without Harm and the Ceres Business for Innovative Climate and Energy Policy (BICEP) Network, we write to encourage members of the House Energy Policy Committee to support bipartisan policies that would remove regulatory barriers to clean energy adoption and strengthen the resiliency and reliability of the grid. Specifically, we would like to outline our shared support for policies that would remove the net-metering cap, compensate renewable energy generators for the full range of benefits they provide, enable microgrids and storage, and open up the community solar market.

Health Care Without Harm works with a network of 2000 U.S. hospitals to improve the sustainability of hospital operations to promote the health of patients, employees and communities. The Ceres BICEP network includes 48 companies that are major employers and large electricity customers across the United States, many of whom have operations and facilities in Michigan. Hospitals and large corporate energy users value a flexible, efficient, resilient and reliable electric system that seamlessly integrates cost-effective clean energy resources. Clean energy helps hospitals and businesses save money and hedge against volatile fossil fuel prices, while cleaner air improves public health and leads to a healthy workforce. For these reasons we recommend the following:

Remove the net-metering cap

At present, there are arbitrary limits on the number of customers who can participate in net-metering and distributed generation programs. By removing this artificial cap, this policy allows those customers who want to invest in cost-effective on-site generation to be compensated for delivering that electricity to the grid. Combined with more effective rates (see below), removing the cap will help make the grid more stable and reduce the need for imported fuel while saving Michigan residents, businesses and hospitals money. Finally, allowing more customers to own distributed resources, such as rooftop solar, increases local grid resilience by reducing customer dependence on local distribution.

Adopt pricing for renewables that values all benefits

Renewable energy sources provide value to the grid and society in ways that are not accounted for in the current rate structure. Fairly compensating producers for the full range of benefits provided by renewable energy will put downward pressure on electricity rates for all, improve grid stability, and reduce the need for costly investments in new power lines.

Quantifying and compensating these benefits will send price signals that leverage market mechanisms to build a low cost, reliable and efficient electricity system. Policies guiding rate

structures need to shift pricing methodology from the current short-term focus on fixed costs to a long-term view of grid-wide costs and benefits in the context of technology change and public policy outcomes. Specifically, we support the inclusion of values that will improve the efficiency of the distribution grid, reduce the need for costly infrastructure investments, and drive economic benefits such as price stability and job creation.

We would also like to highlight the importance of considering health and environmental benefits from pollution reduction. Local clean energy reduces local air pollution. Compensation for this benefit recognizes that our energy choices are ultimately about health: the air quality in Michigan communities which directly impacts health, particularly of children and the elderly, the financial viability of healthcare providers, and the affordability of healthcare. Given that two of Michigan's major metropolitan areas are among the "most polluted air" in the 2018 State of the Air by the American Lung Association, transitioning to clean renewable energy across the state will lead to immediate health benefits for our fellow citizens and businesses, reducing hospital admissions, asthma attacks and associated lost work days.

Enable microgrids and storage

Microgrids can improve the resilience and reliability of the grid. Currently, businesses, hospitals and homeowners with on-site renewable energy aren't able to use their generated or stored energy to power their facilities or homes during power outages and other service disruptions. Enabling microgrids will allow customers to self-power their facilities and homes during disruptions and share that electricity with neighboring facilities critical to the health, safety and wellbeing of communities. This would ensure businesses, hospitals, schools, fire stations, shelters and the like can keep systems functioning during blackouts. Maintaining consistent electric power during outages, disaster or other emergency is especially important for critical healthcare facilities - where the loss of power can mean the loss of lives.

Microgrids with storage can also enhance the benefits of on-site renewables, matching the variability of generation with a facility's demand and creating capacity value for the grid. Enabling microgrids--combined with the increased availability of energy storage technologies and decreasing prices--means that businesses and hospitals will be able to operate with a more flexible, resilient, clean and efficient energy mix, generating savings for their facilities and all ratepayers.

Open the community solar market

Many businesses, institutions, and families cannot afford the up-front cost for renewable energy, or do not have property located where renewable energy generation is possible. This bill would open up the community solar market in Michigan and allow businesses, hospitals, families, and communities to benefit from the state's abundant solar resources by eliminating the need for on-



property siting and reducing the up-front cost of buying individual solar panels. Expanding solar access to all Michiganders presents a significant economic opportunity for the state. Analysis by the National Renewable Energy Laboratory projects this market could grow to 32-49 percent of the distributed solar market by 2020, representing \$8.2 - \$16.3 billion of cumulative investment. Businesses and hospitals will not only benefit from increased access to solar, but they can also play an essential role in facilitating access for others by serving as anchor tenants for community solar farms.

As you consider the Energy Freedom Package, we encourage you to support policies that would remove regulatory barriers to clean energy development in Michigan. These policies would create savings and jobs, while improving the grid and public health. Thank you for your consideration and please do not hesitate to reach out if we can provide additional information.

Sincerely,

Jessica Wolff
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Anne Kelly
Senior Director, Policy and BICEP Network, Ceres on behalf of the Ceres BICEP Network

For more information on Climate and Health at Health Care Without Harm, visit: <https://noharm-uscanada.org/HealthyClimate>

For more information on the Ceres BICEP Network visit: <https://www.ceres.org/networks/ceres-policy-network>

BICEP Network Members: *Adobe -- Annie's, Inc. -- Aspen Skiing Company, Autodesk -- Aveda -- Ben & Jerry's -- Burton Snowboards -- CA Technologies -- Clif Bar & Company -- Dignity Health -- eBay Inc. -- Eileen Fisher -- Etsy -- Fetzer -- Gap Inc. -- General Mills -- Hackensack Meridian Health -- IKEA -- JLL -- KB Home -- The Kellogg Company -- L Brands, Inc. -- L'Oreal USA -- Levi Strauss & Co. -- Mars Incorporated -- Nature's Path Foods -- Nestle -- New Belgium Brewing -- Nike Inc. -- Outdoor Industry Association -- Owens Corning -- Patagonia Inc -- Portland Trail Blazers -- Salesforce -- San Francisco International Airport (SFO) -- Seventh Generation -- Sierra Nevada -- Squaw Valley -- Starbucks Corporation -- Stonyfield Farm -- Symantec Corporation -- The North Face -- Timberland -- Unilever -- V.F. Corporation -- Vail Resorts -- Vulcan -- Worthen Industries*

CC: Governor Rick Snyder
Members of the Michigan Senate Energy and Technology Committee

